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December 20, 2007

HAND DELIVERED

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: PSC Case No. 2006-00472

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and ten copies of the Comments of East Kentucky Power Cooperative, Inc. Regarding the Petition for Rehearing of Kentucky Industrial Utility Customers, Inc.

Very truly yours,



Charles A. Lile
Senior Corporate Counsel

Enclosures

Cc: Parties of Record

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

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In the Matter of:

**GENERAL ADJUSTMENT OF ELECTRIC RATES) CASE NO.
OF EAST KENTUCKY POWER) 2006-00472
COOPERATIVE, INC.)**

**COMMENTS OF EAST KENTUCKY POWER COOPERATIVE, INC.
REGARDING THE PETITION FOR REHEARING OF
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.**

East Kentucky Power Cooperative, Inc. (“EKPC”) hereby submits to the Kentucky Public Service Commission (the “Commission”) its comments regarding the Petition for Rehearing, filed in this case on December 12, 2007 by Kentucky Industrial Utility Customers, Inc. (“KIUC”), as follows:

1. EKPC interprets the KIUC Petition as a request for rehearing by the Commission of the single issue of the allocation methodology for the final increase granted in this case, and for adoption of the allocation methodology proposed in this case by KIUC witness Kevin Higgins in Prepared Testimony filed on July 6, 2007.

2. EKPC and the Attorney General agreed with KIUC to such an allocation methodology in the Joint Stipulation that was filed with the Commission on August 31, 2007, and EKPC continues to believe that such an allocation on base demand revenues is a reasonable basis for the apportionment of the final rate increase granted in this case.

3. EKPC agrees with the characterization in the KIUC Petition of the rationale for EKPC’s original proposed allocation, and of EKPC’s agreement, in the course of settlement discussions, to adopt the allocation method proposed by KIUC.

4. EKPC wishes to advise the Commission that it does not dispute the factual statements regarding EKPC which are made by KIUC in its Petition, that it does not oppose the KIUC Petition for Rehearing, and that it would not object to a rehearing on the single issue of KIUC's proposed allocation of the final rate increase, or the allocation of the final increase granted in this case on the basis of KIUC's proposal.

Respectfully submitted,

DAVID A. SMART

A handwritten signature in black ink that reads "Charles A. Lile". The signature is written in a cursive style with a large initial 'C'.

CHARLES A. LILE

P. O. BOX 707
WINCHESTER, KY 40392-0707
(859) 744-4812

ATTORNEYS FOR EAST KENTUCKY
POWER COOPERATIVE, INC.

CERTIFICATE OF SERVICE

This is to certify that an original and 10 copies of the foregoing Comments of East Kentucky Power Cooperative, Inc. Regarding the Petition for Rehearing of Kentucky Industrial Utility Customers, Inc. in the above-styled case were delivered to the office of Elizabeth O'Donnell, Executive Director of the Public Service Commission, 211 Sower Boulevard, Frankfort, KY 40601, and copies were mailed to Parties of Record, this 20th day of December, 2007.



Charles A. Lile